

**L TERSIGNI CONSULTING, P.C.**  
**Certified Public Accountant**1010 Summer Street - Suite 201  
Stamford, CT. 06905  
Telephone: 203-252-2564  
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September 29, 2006

**Invoice No. 10706****Marla R. Eskin, Esq.**  
**Campbell & Levine LLC**  
**800 N. King Street**  
**Suite 300**  
**Wilmington, DE. 19801****RE: W.R.Grace**

For services rendered in connection with the above-captioned matter during the period August 1, 2006 through August 31, 2006 as per the attached analysis.

<u>Professional Fees (see Schedule A)</u>	<u>Hours</u>	<u>Amount</u>
Loreto T. Tersigni - President	5.80	\$3,248.00
James Sinclair - Senior Managing Director	74.00	\$39,220.00
Bradley Rapp - Senior Managing Director	0.60	\$318.00
Robert Mathews - Managing Director	10.70	\$5,510.50
Peter Rubsam - Managing Director	16.90	\$8,703.50
Aaron Prills - Senior Manager	56.10	\$20,196.00
Dottie-Jo Collins - Manager	10.50	\$3,150.00
<u>Expenses (see Schedule C)</u>		
Telephone, Xerox		\$125.53
<b>TOTAL</b>		<b>\$80,471.53</b>

Please Note: Schedule B (attached) reflects Professional Services Summary  
by Task Codes for Court Approved Professionals

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Summary of Professional Services Rendered: August 1-31, 2006

Name	Position	Schedule	Rate (2006)	Hours	Amount
Loreto T. Tersigni	President	Schedule A	\$560	5.80	\$3,248.00
James Sinclair	Senior Managing Director	Schedule A	\$530	74.00	\$39,220.00
Bradley Rapp	Senior Managing Director	Schedule A	\$530	0.60	\$318.00
Robert Mathews	Managing Director	Schedule A	\$515	10.70	\$5,510.50
Peter Rubsam	Managing Director	Schedule A	\$515	16.90	\$8,703.50
Aaron Prills	Senior Manager	Schedule A	\$360	56.10	\$20,196.00
Dottie-Jo Collins	Manager	Schedule A	\$300	10.50	\$3,150.00
<b>Total Professional Services- Schedule A:</b>				174.60	\$80,346.00
<b>Total Out of Pocket Expenses- Schedule C:</b>					\$125.53
<b>TOTAL DUE THIS INVOICE</b>					<b>\$80,471.53</b>

Please Note: Schedule B (attached) reflects Professional Services Summary  
by Task Codes for Court Approved Professionals

# W.R. Grace

## Schedule A

**Services Rendered during the Period: August 1, 2006 through August 31, 2006**

Date		Comment	Task Code	Hours	2006 Rate	Total
<b>Loreto Tersigni - President</b>						
8/4/06	LT	Review Weekly Recommendations Memorandum transmitted by ACC counsel	26	0.80	\$560.00	\$448.00
8/11/06	LT	Review Calendar of Upcoming Events transmitted by ACC counsel	26	1.00	\$560.00	\$560.00
8/14/06	LT	Review schedule of deliverable to ACC counsel and timetable for completion	26	0.20	\$560.00	\$112.00
8/15/06	LT	Meeting with ACC counsel to discuss status of POR issues	07	1.00	\$560.00	\$560.00
8/16/06	LT	Prepare updated valuation and recovery analysis for ACC counsel	07	1.20	\$560.00	\$672.00
8/18/06	LT	Review engagement status	26	0.20	\$560.00	\$112.00
8/18/06	LT	Review fee application for July 2006 including timekeeper daily entries	11	0.60	\$560.00	\$336.00
8/25/06	LT	Review memorandum from ACC counsel re Omnibus Hearing 8/21	07	0.10	\$560.00	\$56.00
8/28/06	LT	Review Weekly Recommendations Memorandum transmitted by ACC counsel	26	0.70	\$560.00	\$392.00
<b>Sub-Total</b>				5.80		\$3,248.00

**James Sinclair - Senior Managing Director**

8/3/06	JS	Review, analyze 8-K report of 2nd Quarter 2006 financial results for due diligence and monitoring.	28	3.00	\$530.00	\$1,590.00
8/4/06	JS	Review, analyze American Chemistry Council, Economics & Statistics, Chief Economist's report "Mid-2006 Situation and Outlook" for chemical/specialty chemical industry for due diligence, monitoring and valuation.	21	1.80	\$530.00	\$954.00
8/8/06	JS	Commence review and analysis of 2nd Quarter 2006 10-Q in preparation for conference call with Company on 8/15/06 for due diligence and monitoring.	28	3.20	\$530.00	\$1,696.00
8/9/06	JS	Commence review and analysis of 2nd Quarter 2006 Executive Summary in preparation for conference call with Company on 8/15/06 for due diligence and monitoring.	28	3.40	\$530.00	\$1,802.00
8/9/06	JS	Continue review and analysis of 2nd Quarter 2006 Executive Summary in preparation for conference call with Company on 8/15/06 for due diligence and monitoring.	28	2.00	\$530.00	\$1,060.00
8/10/06	JS	Review, analyze Financial Briefing - 2nd Quarter 2006 in preparation for conference call with Company on 8/15/06 for due diligence and monitoring.	28	2.60	\$530.00	\$1,378.00
8/10/06	JS	Draft questions for conference call with Company on 8/15/06 for due diligence and monitoring.	28	2.80	\$530.00	\$1,484.00
8/10/06	JS	Commence review and analysis of 2nd quarter operating results of peer specialty chemical companies for due diligence, monitoring and valuation.	21	2.90	\$530.00	\$1,537.00
8/11/06	JS	Further review and analysis of 2nd Quarter 2006 10-Q, Executive Summary and Financial Briefing in preparation for conference call with Company on 8/15/06 for due diligence, monitoring and valuation.	21	3.10	\$530.00	\$1,643.00
8/11/06	JS	Develop estimates of operating metrics for Grace, adjust Company's forecasts, for valuation and recovery analysis.	21	3.00	\$530.00	\$1,590.00
8/11/06	JS	Revise, develop further questions for conference call with Company on 8/15/06 for due diligence, monitoring and valuation.	21	1.60	\$530.00	\$848.00
8/14/06	JS	Review Refining Catalysts Report (ChemWeek 8/9/06) for due diligence and valuation.	21	2.40	\$530.00	\$1,272.00
8/14/06	JS	Further review of 2nd Quarter 2006 10-Q, Financial Briefing and Executive Summary, further revision to questions for conference call with Company on 8/15/06 for due diligence, monitoring and valuation.	21	1.50	\$530.00	\$795.00
8/14/06	JS	Discuss valuation and warrant model with Tersigni and Rubsam for recovery analysis.	21	0.70	\$530.00	\$371.00

# W.R. Grace

## Schedule A

**Services Rendered during the Period: August 1, 2006 through August 31, 2006**

Date		Comment	Task Code	Hours	2006 Rate	Total
8/14/06	JS	Commence review and revision of valuation for valuation and recovery analysis.	21	2.50	\$530.00	\$1,325.00
8/15/06	JS	Review notes, questions, industry reports and Company's 2nd quarter reports for conference call on 8/15/06 for due diligence, monitoring and valuation.	21	1.50	\$530.00	\$795.00
8/15/06	JS	Conference call with Company (Tarola) and financial advisers for due diligence, monitoring and valuation.	21	0.90	\$530.00	\$477.00
8/15/06	JS	Develop parameters for warrant model for recovery analysis.	21	1.70	\$530.00	\$901.00
8/15/06	JS	Discuss with Rubsam parameters for warrant model for recovery analysis.	21	0.50	\$530.00	\$265.00
8/15/06	JS	Review, analyze, revise claims for recovery analysis.	21	2.60	\$530.00	\$1,378.00
8/15/06	JS	Continue review and revision of valuation and estate assets for distributable value and recovery analysis.	21	3.00	\$530.00	\$1,590.00
8/16/06	JS	Review, analyze Rubsam's warrant model and valuation for distributable value and recovery analysis.	21	1.10	\$530.00	\$583.00
8/16/06	JS	Develop alternative structures of recovery for recovery analysis.	21	2.00	\$530.00	\$1,060.00
8/16/06	JS	Discuss warrant model, valuation and alternatives with Rubsam for recovery analysis.	21	0.40	\$530.00	\$212.00
8/16/06	JS	Review and analyze alternative warrant models and valuations for distributable value and recovery analysis.	21	1.30	\$530.00	\$689.00
8/16/06	JS	Write distributable value memorandum for ACC counsel for recovery analysis.	21	0.90	\$530.00	\$477.00
8/16/06	JS	Write recovery analysis for ACC counsel for settlement discussions.	21	2.30	\$530.00	\$1,219.00
8/28/06	JS	Review ACC counsel's memorandum re Hearing of 8/21/06 in preparation for Hearing of 9/11/06.	28	1.70	\$530.00	\$901.00
8/28/06	JS	Review counsel's Recommendations and Calendar memoranda for planning of work and assignments.	28	2.00	\$530.00	\$1,060.00
8/28/06	JS	Commence review and analysis of June 2006 MOR for due diligence.	28	1.50	\$530.00	\$795.00
8/29/06	JS	Continue review and analysis of June 2006 MOR for due diligence.	28	1.80	\$530.00	\$954.00
8/29/06	JS	Review, analyze Chemical Week Polypropylene/Catalyst Report 8/23/06 and Grace forecasts, Beaches acquisition memorandum, for valuation.	21	2.00	\$530.00	\$1,060.00
8/29/06	JS	Review, analyze market valuations of specialty chemical comparable companies for valuation.	21	1.40	\$530.00	\$742.00
8/29/06	JS	Review, revise asset values, claims for recovery analysis for ACC counsel.	21	1.90	\$530.00	\$1,007.00
8/29/06	JS	Review NOL information, Monthly Financial Report 7/06 for asset value analysis and recovery analysis for ACC counsel.	21	1.00	\$530.00	\$530.00
8/29/06	JS	Write memorandum to ACC counsel re recovery analysis in preparation for hearing on 9/11/06.	21	1.40	\$530.00	\$742.00
8/31/06	JS	Review, analyze ACC counsel's memorandum with schedules re solvency analysis for hearing on 9/11/06 at request of counsel.	21	2.10	\$530.00	\$1,113.00
8/31/06	JS	Review, revise claims and distributable value analysis, write solvency analysis for ACC counsel for hearing on 9/11/06 at request of counsel.	21	2.50	\$530.00	\$1,325.00
<b>Sub-Total</b>				74.00		\$39,220.00

**Bradley Rapp - Senior Managing Director**

8/14/06	BR	Tel C w/ Peter Rubsam to discuss valuation of warrants	21	0.10	\$530.00	\$53.00
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# W.R. Grace

## Schedule A

**Services Rendered during the Period: August 1, 2006 through August 31, 2006**

Date		Comment	Task Code	Hours	2006 Rate	Total
8/14/06	BR	Preparation of financial materials relating to valuation of warrants for purpose of sending such materials to Peter Rubsam	21	0.40	\$530.00	\$212.00
8/15/06	BR	Tel C w/ Peter Rubsam re valuation of warrants	21	0.10	\$530.00	\$53.00
<b>Sub-Total</b>				0.60		\$318.00

**Robert Mathews - Managing Director**

8/4/06	RM	Review market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation	16	2.20	\$515.00	\$1,133.00
8/11/06	RM	Review market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation	16	2.10	\$515.00	\$1,081.50
8/18/06	RM	Review market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation	16	2.00	\$515.00	\$1,030.00
8/25/06	RM	Review market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation	16	2.20	\$515.00	\$1,133.00
8/31/06	RM	Review market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation	16	2.20	\$515.00	\$1,133.00
<b>Sub-Total</b>				10.70		\$5,510.50

**Peter Rubsam - Managing Director**

8/9/06	PR	Analyze and review Chemtura August 8k on Q2 earnings release, comparison to prior year, segment review, merger integration, 2006 outlook and adjustments for comparable company review	21	2.00	\$515.00	\$1,030.00
8/10/06	PR	Analyze and review Chemtura August 2Q earnings presentation on business overview, earnings bridge, growth strategies, market share, segment analysis and objectives and industry outlook for comparable company review	21	2.10	\$515.00	\$1,081.50
8/15/06	PR	Update and review warrant valuation on Black Scholes model calculation as requested by counsel	21	2.30	\$515.00	\$1,184.50
8/15/06	PR	Revise and update warrant calculation based on sensitivities and assumptions for updated warrant calculation as requested by counsel	21	2.30	\$515.00	\$1,184.50
8/15/06	PR	Review WR Grace updated recovery analysis and distributable value for warrant valuation	21	1.20	\$515.00	\$618.00
8/16/06	PR	Revise and update warrant calculation based on shares issued and total value as requested by counsel	21	1.50	\$515.00	\$772.50
8/29/06	PR	Review and analyze Lubrizol August 2006 8k on Q2 operating results, comparison to 2005, earnings outlook, discontinued operations and business segment review for comparable company analysis	21	2.00	\$515.00	\$1,030.00
8/30/06	PR	Review and analyze Hercules August 2006 8k Q2 earnings announcement, business and geographical review, pricing, outlook and comparison to prior year for comparable company valuation	21	1.80	\$515.00	\$927.00
8/31/06	PR	Review and analyze Cabot August 2006 8k Q3 earnings announcement, profit margins, segment review, restructuring items and comparison to prior year for comparable company review	21	1.70	\$515.00	\$875.50
<b>Sub-Total</b>				16.90		\$8,703.50

**Aaron Prills - Senior Manager**

8/8/06	AP	Reviewed status update of Grace motions to analyze status of case.	28	1.00	\$360.00	\$360.00
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# W.R. Grace

## Schedule A

**Services Rendered during the Period: August 1, 2006 through August 31, 2006**

Date		Comment	Task Code	Hours	2006 Rate	Total
8/8/06	AP	Reviewed Grace distributable value analysis to analyze the value of the equity under the Company's current plan.	28	1.60	\$360.00	\$576.00
8/8/06	AP	Prepared schedule to analyze the potential equity values under the debtors plan using various assumptions.	21	1.70	\$360.00	\$612.00
8/9/06	AP	Reviewed the consolidated schedules in the Grace executive summary financial statement package provided by the company.	28	1.20	\$360.00	\$432.00
8/9/06	AP	Reviewed the quantitative overview summary from the executive summary financial book.	28	0.90	\$360.00	\$324.00
8/9/06	AP	Reviewed Grace's historical 10Q filings to analyze the EBIT margin during various time periods.	28	1.30	\$360.00	\$468.00
8/9/06	AP	Reviewed recent trend on Grace's stock price.	28	0.40	\$360.00	\$144.00
8/9/06	AP	Reviewed the business segment overview section in the executive summary book from the company.	28	1.00	\$360.00	\$360.00
8/9/06	AP	Reviewed the cash flow detail in the executive summary book to analyze the YTD cash items and how it compares with the updated plan.	28	0.90	\$360.00	\$324.00
8/9/06	AP	Reviewed the results from core operations schedules for the Grace June 30, 2006 executive summary book.	28	0.50	\$360.00	\$180.00
8/10/06	AP	Reviewed EBITDA trend analysis to analyze current quarterly results.	28	0.40	\$360.00	\$144.00
8/10/06	AP	Reviewed the audited financial statements in the 10Q to analyze the year-over-year comparison of performance.	28	1.70	\$360.00	\$612.00
8/10/06	AP	Reviewed the 10Q for detail regarding the charges taken by the company for additional environmental liabilities.	28	0.80	\$360.00	\$288.00
8/10/06	AP	Reviewed websites for information regarding the environmental liability for Montana for the company.	28	0.90	\$360.00	\$324.00
8/10/06	AP	Reviewed liabilities schedule provided by the company to analyze the environmental estimate on the schedule.	28	0.50	\$360.00	\$180.00
8/11/06	AP	Reviewed the Grace financial briefing schedule from the company to analyze the second quarter operating results.	28	1.30	\$360.00	\$468.00
8/11/06	AP	Reviewed the Grace financial briefing schedule from the company to analyze the YTD results.	28	1.20	\$360.00	\$432.00
8/11/06	AP	Reviewed the detailed sections of the financial briefing to prepare questions for the conference call with management.	28	1.10	\$360.00	\$396.00
8/11/06	AP	Prepared questions for the conference call with management.	26	1.00	\$360.00	\$360.00
8/11/06	AP	Reviewed Grace 10Q for additional detail regarding the insurance settlements that occurred during the second quarter.	28	0.80	\$360.00	\$288.00
8/11/06	AP	Prepared updates to the accrued interest summary to analyze the YTD accrual.	26	0.90	\$360.00	\$324.00
8/11/06	AP	Reviewed the peer comparison detail provided by the company to analyze how Grace performed relative to its peers.	28	0.70	\$360.00	\$252.00
8/11/06	AP	Reviewed prior Grace executive summary books to analyze the changes in the reporting segment financial bridge.	28	0.80	\$360.00	\$288.00
8/16/06	AP	Reviewed the prior warrants analysis to analyze the assumptions in the model.	28	1.30	\$360.00	\$468.00
8/16/06	AP	Reviewed article from industry publication regarding projected demand for catalysts.	28	1.00	\$360.00	\$360.00
8/16/06	AP	Reviewed the latest data regarding the bankholders for Grace to analyze any changes during the quarter.	28	0.50	\$360.00	\$180.00
8/16/06	AP	Reviewed the updates free cash flow analysis to analyze the YTD summary for the company.	28	0.50	\$360.00	\$180.00
8/16/06	AP	Reviewed additional industry articles relating to the chemical industry.	28	0.70	\$360.00	\$252.00

# W.R. Grace

## Schedule A

**Services Rendered during the Period: August 1, 2006 through August 31, 2006**

Date		Comment	Task Code	Hours	2006 Rate	Total
8/16/06	AP	Reviewed the Grace debtor financials to analyze the performance of the debtor entities and the cash balances associated with the entities.	28	1.20	\$360.00	\$432.00
8/17/06	AP	Reviewed the Grace weekly status update schedule to analyze the items on the schedule.	28	0.80	\$360.00	\$288.00
8/17/06	AP	Reviewed claims recovery model to analyze sensitivity of claim recoveries.	28	1.50	\$360.00	\$540.00
8/17/06	AP	Reviewed additional warrants schedules prepared to analyze the variables used and the impact on the value of the warrants.	28	1.10	\$360.00	\$396.00
8/17/06	AP	Reviewed press releases regarding Grace expansions of business lines.	28	0.80	\$360.00	\$288.00
8/18/06	AP	Reviewed the latest Grace distributable value analysis to analyze the components of value.	28	1.00	\$360.00	\$360.00
8/18/06	AP	Reviewed the liabilities subject to compromise and any changes in these liabilities YTD.	28	0.60	\$360.00	\$216.00
8/21/06	AP	Prepared updates to the Grace second quarter operating review summary schedules to analyze the quarterly performance.	26	1.00	\$360.00	\$360.00
8/21/06	AP	Prepared the Grace second quarter operating review charts for the review for counsel.	26	1.80	\$360.00	\$648.00
8/21/06	AP	Prepared the quarterly rolling schedules and charts for the second quarter operating review for counsel.	26	1.10	\$360.00	\$396.00
8/21/06	AP	Prepared the equity value analysis for the petition date through the second quarter 2006 to analyze the trend in the stock price.	26	1.00	\$360.00	\$360.00
8/21/06	AP	Prepared updates to the business segment review schedules to analyze the operating margins for the businesses.	26	1.40	\$360.00	\$504.00
8/21/06	AP	Prepared updates to the second quarter presentation exhibits to analyze the performance of the company versus prior quarters.	26	1.60	\$360.00	\$576.00
8/24/06	AP	Reviewed the consolidated results in the Grace June 30, 2006 10Q filing.	28	1.30	\$360.00	\$468.00
8/24/06	AP	Reviewed the segment sections of the Grace 10Q filing.	28	1.10	\$360.00	\$396.00
8/24/06	AP	Reviewed management's commentary regarding the second quarter and YTD results as part of the second quarter analysis.	28	2.20	\$360.00	\$792.00
8/24/06	AP	Reviewed the pro-forma plan sections of the 10Q to analyze the sources of value.	28	0.50	\$360.00	\$180.00
8/24/06	AP	Prepared notes from the 10Q as part of the second quarter review analysis.	26	1.50	\$360.00	\$540.00
8/25/06	AP	Reviewed the latest Grace monthly operating report cash section to analyze the legal expense relating to Libby for the month.	28	0.50	\$360.00	\$180.00
8/25/06	AP	Reviewed articles relating to the pension reform bill to analyze the potential impact on the company.	28	1.10	\$360.00	\$396.00
8/28/06	AP	Prepared consolidated performance section of the second quarter review for counsel.	26	1.20	\$360.00	\$432.00
8/28/06	AP	Prepared business segment review section of the second quarter presentation to counsel.	26	1.30	\$360.00	\$468.00
8/28/06	AP	Prepared cash sources/uses and stock/bank debt price section of the second quarter presentation to counsel.	26	1.10	\$360.00	\$396.00
8/28/06	AP	Prepared updates to the second quarter operating review schedules.	26	1.00	\$360.00	\$360.00
8/28/06	AP	Reviewed the notes to the financial briefing summary to analyze the performance of the operating segments.	28	0.80	\$360.00	\$288.00
8/29/06	AP	Reviewed the Grace status update memorandum from counsel.	28	1.00	\$360.00	\$360.00
<b>Sub-Total</b>				56.10		\$20,196.00

**Dottie-Jo Collins - Manager**

# W.R. Grace

## Schedule A

**Services Rendered during the Period: August 1, 2006 through August 31, 2006**

<b>Date</b>	<b>Comment</b>	<b>Task Code</b>	<b>Hours</b>	<b>2006 Rate</b>	<b>Total</b>
8/30/06	DC Compilation and consolidation of services rendered in the month of August 2006	11	4.00	\$300.00	\$1,200.00
8/31/06	DC Compilation and consolidation of services rendered in the month of August 2006	11	4.50	\$300.00	\$1,350.00
8/31/06	DC Category coding and preparation of August 2006 fee application	11	2.00	\$300.00	\$600.00
<b>Sub-Total</b>			10.50		\$3,150.00

**TOTAL Schedule A:** 174.60 \$80,346.00



# W.R. Grace

## Schedule B

Services Rendered during the Period: August 1, 2006 through August 31, 2006

Date		Comments	Task Code	Hours	Rate	Total
8/15/06	LT	Meeting with ACC counsel to discuss status of POR issues	07	1.00	\$560.00	\$560.00
8/16/06	LT	Prepare updated valuation and recovery analysis for ACC counsel	07	1.20	\$560.00	\$672.00
8/25/06	LT	Review memorandum from ACC counsel re Omnibus Hearing 8/21	07	0.10	\$560.00	\$56.00
<b>TOTAL Category 07: Committee, Creditor's, Noteholders</b>				<b>2.30</b>		<b>\$1,288.00</b>
8/18/06	LT	Review fee application for July 2006 including timekeeper daily entries	11	0.60	\$560.00	\$336.00
8/30/06	DC	Compilation and consolidation of services rendered in the month of August 2006	11	4.00	\$300.00	\$1,200.00
8/31/06	DC	Compilation and consolidation of services rendered in the month of August 2006	11	4.50	\$300.00	\$1,350.00
8/31/06	DC	Category coding and preparation of August 2006 fee application	11	2.00	\$300.00	\$600.00
<b>TOTAL Category 11: Fee Application-Applicant</b>				<b>11.10</b>		<b>\$3,486.00</b>
8/4/06	RM	Review market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation	16	2.20	\$515.00	\$1,133.00
8/11/06	RM	Review market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation	16	2.10	\$515.00	\$1,081.50
8/18/06	RM	Review market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation	16	2.00	\$515.00	\$1,030.00
8/25/06	RM	Review market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation	16	2.20	\$515.00	\$1,133.00
8/31/06	RM	Review market information associated with bank and bond debt in the secondary market and implications for chapter 11 situation	16	2.20	\$515.00	\$1,133.00
<b>TOTAL Category 16: POR and Disclosure Statement</b>				<b>10.70</b>		<b>\$5,510.50</b>
8/4/06	JS	Review, analyze American Chemistry Council, Economics & Statistics, Chief Economist's report "Mid-2006 Situation and Outlook" for chemical/specialty chemical industry for due diligence, monitoring and valuation.	21	1.80	\$530.00	\$954.00
8/8/06	AP	Prepared schedule to analyze the potential equity values under the debtors plan using various assumptions.	21	1.70	\$360.00	\$612.00
8/9/06	PR	Analyze and review Chemtura August 8k on Q2 earnings release, comparison to prior year, segment review, merger integration, 2006 outlook and adjustments for comparable company review	21	2.00	\$515.00	\$1,030.00
8/10/06	JS	Commence review and analysis of 2nd quarter operating results of peer specialty chemical companies for due diligence, monitoring and valuation.	21	2.90	\$530.00	\$1,537.00
8/10/06	PR	Analyze and review Chemtura August 2Q earnings presentation on business overview, earnings bridge, growth strategies, market share, segment analysis and objectives and industry outlook for comparable company review	21	2.10	\$515.00	\$1,081.50
8/11/06	JS	Further review and analysis of 2nd Quarter 2006 10-Q, Executive Summary and Financial Briefing in preparation for conference call with Company on 8/15/06 for due diligence, monitoring and valuation.	21	3.10	\$530.00	\$1,643.00
8/11/06	JS	Develop estimates of operating metrics for Grace, adjust Company's forecasts, for valuation and recovery analysis.	21	3.00	\$530.00	\$1,590.00
8/11/06	JS	Revise, develop further questions for conference call with Company on 8/15/06 for due diligence, monitoring and valuation.	21	1.60	\$530.00	\$848.00
8/14/06	JS	Review Refining Catalysts Report (ChemWeek 8/9/06) for due diligence and valuation.	21	2.40	\$530.00	\$1,272.00
8/14/06	JS	Further review of 2nd Quarter 2006 10-Q, Financial Briefing and Executive Summary, further revision to questions for conference call with Company on 8/15/06 for due diligence, monitoring and valuation.	21	1.50	\$530.00	\$795.00
8/14/06	JS	Discuss valuation and warrant model with Tersigni and Rubsam for recovery analysis.	21	0.70	\$530.00	\$371.00
8/14/06	JS	Commence review and revision of valuation for valuation and recovery analysis.	21	2.50	\$530.00	\$1,325.00

# W.R. Grace

## Schedule B

Services Rendered during the Period: August 1, 2006 through August 31, 2006

Date		Comments	Task Code	Hours	Rate	Total
8/14/06	BR	Tel C w/ Peter Rubsam to discuss valuation of warrants	21	0.10	\$530.00	\$53.00
8/14/06	BR	Preparation of financial materials relating to valuation of warrants for purpose of sending such materials to Peter Rubsam	21	0.40	\$530.00	\$212.00
8/15/06	JS	Review notes, questions, industry reports and Company's 2nd quarter reports for conference call on 8/15/06 for due diligence, monitoring and valuation.	21	1.50	\$530.00	\$795.00
8/15/06	JS	Conference call with Company (Tarola) and financial advisers for due diligence, monitoring and valuation.	21	0.90	\$530.00	\$477.00
8/15/06	JS	Develop parameters for warrant model for recovery analysis.	21	1.70	\$530.00	\$901.00
8/15/06	JS	Discuss with Rubsam parameters for warrant model for recovery analysis.	21	0.50	\$530.00	\$265.00
8/15/06	JS	Review, analyze, revise claims for recovery analysis.	21	2.60	\$530.00	\$1,378.00
8/15/06	JS	Continue review and revision of valuation and estate assets for distributable value and recovery analysis.	21	3.00	\$530.00	\$1,590.00
8/15/06	BR	Tel C w/ Peter Rubsam re valuation of warrants	21	0.10	\$530.00	\$53.00
8/15/06	PR	Update and review warrant valuation on Black Scholes model calculation as requested by counsel	21	2.30	\$515.00	\$1,184.50
8/15/06	PR	Revise and update warrant calculation based on sensitivities and assumptions for updated warrant calculation as requested by counsel	21	2.30	\$515.00	\$1,184.50
8/15/06	PR	Review WR Grace updated recovery analysis and distributable value for warrant valuation	21	1.20	\$515.00	\$618.00
8/16/06	JS	Review, analyze Rubsam's warrant model and valuation for distributable value and recovery analysis.	21	1.10	\$530.00	\$583.00
8/16/06	JS	Develop alternative structures of recovery for recovery analysis.	21	2.00	\$530.00	\$1,060.00
8/16/06	JS	Discuss warrant model, valuation and alternatives with Rubsam for recovery analysis.	21	0.40	\$530.00	\$212.00
8/16/06	JS	Review and analyze alternative warrant models and valuations for distributable value and recovery analysis.	21	1.30	\$530.00	\$689.00
8/16/06	JS	Write distributable value memorandum for ACC counsel for recovery analysis.	21	0.90	\$530.00	\$477.00
8/16/06	JS	Write recovery analysis for ACC counsel for settlement discussions.	21	2.30	\$530.00	\$1,219.00
8/16/06	PR	Revise and update warrant calculation based on shares issued and total value as requested by counsel	21	1.50	\$515.00	\$772.50
8/29/06	JS	Review, analyze Chemical Week Polypropylene/Catalyst Report 8/23/06 and Grace forecasts, Beaches acquisition memorandum, for valuation.	21	2.00	\$530.00	\$1,060.00
8/29/06	JS	Review, analyze market valuations of specialty chemical comparable companies for valuation.	21	1.40	\$530.00	\$742.00
8/29/06	JS	Review, revise asset values, claims for recovery analysis for ACC counsel.	21	1.90	\$530.00	\$1,007.00
8/29/06	JS	Review NOL information, Monthly Financial Report 7/06 for asset value analysis and recovery analysis for ACC counsel.	21	1.00	\$530.00	\$530.00
8/29/06	JS	Write memorandum to ACC counsel re recovery analysis in preparation for hearing on 9/11/06.	21	1.40	\$530.00	\$742.00
8/29/06	PR	Review and analyze Lubrizol August 2006 8k on Q2 operating results, comparison to 2005, earnings outlook, discontinued operations and business segment review for comparable company analysis	21	2.00	\$515.00	\$1,030.00
8/30/06	PR	Review and analyze Hercules August 2006 8k Q2 earnings announcement, business and geographical review, pricing, outlook and comparison to prior year for comparable company valuation	21	1.80	\$515.00	\$927.00
8/31/06	JS	Review, analyze ACC counsel's memorandum with schedules re solvency analysis for hearing on 9/11/06 at request of counsel.	21	2.10	\$530.00	\$1,113.00
8/31/06	JS	Review, revise claims and distributable value analysis, write solvency analysis for ACC counsel for hearing on 9/11/06 at request of counsel.	21	2.50	\$530.00	\$1,325.00

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## Schedule B

Services Rendered during the Period: August 1, 2006 through August 31, 2006

Date		Comments	Task Code	Hours	Rate	Total
8/31/06	PR	Review and analyze Cabot August 2006 8k Q3 earnings announcement, profit margins, segment review, restructuring items and comparison to prior year for comparable company review	21	1.70	\$515.00	\$875.50
<b>TOTAL Category 21: Valuation</b>				<b>69.20</b>		<b>\$36,133.50</b>
8/4/06	LT	Review Weekly Recommendations Memorandum transmitted by ACC counsel	26	0.80	\$560.00	\$448.00
8/11/06	LT	Review Calendar of Upcoming Events transmitted by ACC counsel	26	1.00	\$560.00	\$560.00
8/11/06	AP	Prepared questions for the conference call with management.	26	1.00	\$360.00	\$360.00
8/11/06	AP	Prepared updates to the accrued interest summary to analyze the YTD accrual.	26	0.90	\$360.00	\$324.00
8/14/06	LT	Review schedule of deliverable to ACC counsel and timetable for completion	26	0.20	\$560.00	\$112.00
8/18/06	LT	Review engagement status	26	0.20	\$560.00	\$112.00
8/21/06	AP	Prepared updates to the Grace second quarter operating review summary schedules to analyze the quarterly performance.	26	1.00	\$360.00	\$360.00
8/21/06	AP	Prepared the Grace second quarter operating review charts for the review for counsel.	26	1.80	\$360.00	\$648.00
8/21/06	AP	Prepared the quarterly rolling schedules and charts for the second quarter operating review for counsel.	26	1.10	\$360.00	\$396.00
8/21/06	AP	Prepared the equity value analysis for the petition date through the second quarter 2006 to analyze the trend in the stock price.	26	1.00	\$360.00	\$360.00
8/21/06	AP	Prepared updates to the business segment review schedules to analyze the operating margins for the businesses.	26	1.40	\$360.00	\$504.00
8/21/06	AP	Prepared updates to the second quarter presentation exhibits to analyze the performance of the company versus prior quarters.	26	1.60	\$360.00	\$576.00
8/24/06	AP	Prepared notes from the 10Q as part of the second quarter review analysis.	26	1.50	\$360.00	\$540.00
8/28/06	LT	Review Weekly Recommendations Memorandum transmitted by ACC counsel	26	0.70	\$560.00	\$392.00
8/28/06	AP	Prepared consolidated performance section of the second quarter review for counsel.	26	1.20	\$360.00	\$432.00
8/28/06	AP	Prepared business segment review section of the second quarter presentation to counsel.	26	1.30	\$360.00	\$468.00
8/28/06	AP	Prepared cash sources/uses and stock/bank debt price section of the second quarter presentation to counsel.	26	1.10	\$360.00	\$396.00
8/28/06	AP	Prepared updates to the second quarter operating review schedules.	26	1.00	\$360.00	\$360.00
<b>TOTAL Category 26: Business Analysis</b>				<b>18.80</b>		<b>\$7,348.00</b>
8/3/06	JS	Review, analyze 8-K report of 2nd Quarter 2006 financial results for due diligence and monitoring.	28	3.00	\$530.00	\$1,590.00
8/8/06	JS	Commence review and analysis of 2nd Quarter 2006 10-Q in preparation for conference call with Company on 8/15/06 for due diligence and monitoring.	28	3.20	\$530.00	\$1,696.00
8/8/06	AP	Reviewed status update of Grace motions to analyze status of case.	28	1.00	\$360.00	\$360.00
8/8/06	AP	Reviewed Grace distributable value analysis to analyze the value of the equity under the Company's current plan.	28	1.60	\$360.00	\$576.00
8/9/06	JS	Commence review and analysis of 2nd Quarter 2006 Executive Summary in preparation for conference call with Company on 8/15/06 for due diligence and monitoring.	28	3.40	\$530.00	\$1,802.00
8/9/06	JS	Continue review and analysis of 2nd Quarter 2006 Executive Summary in preparation for conference call with Company on 8/15/06 for due diligence and monitoring.	28	2.00	\$530.00	\$1,060.00
8/9/06	AP	Reviewed the consolidated schedules in the Grace executive summary financial statement package provided by the company.	28	1.20	\$360.00	\$432.00
8/9/06	AP	Reviewed the qualitative overview summary from the executive summary financial book.	28	0.90	\$360.00	\$324.00

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## Schedule B

**Services Rendered during the Period: August 1, 2006 through August 31, 2006**

Date		Comments	Task Code	Hours	Rate	Total
8/9/06	AP	Reviewed Grace's historical 10Q filings to analyze the EBIT margin during various time periods.	28	1.30	\$360.00	\$468.00
8/9/06	AP	Reviewed recent trend on Grace's stock price.	28	0.40	\$360.00	\$144.00
8/9/06	AP	Reviewed the business segment overview section in the executive summary book from the company.	28	1.00	\$360.00	\$360.00
8/9/06	AP	Reviewed the cash flow detail in the executive summary book to analyze the YTD cash items and how it compares with the updated plan.	28	0.90	\$360.00	\$324.00
8/9/06	AP	Reviewed the results from core operations schedules for the Grace June 30, 2006 executive summary book.	28	0.50	\$360.00	\$180.00
8/10/06	JS	Review, analyze Financial Briefing - 2nd Quarter 2006 in preparation for conference call with Company on 8/15/06 for due diligence and monitoring.	28	2.60	\$530.00	\$1,378.00
8/10/06	JS	Draft questions for conference call with Company on 8/15/06 for due diligence and monitoring.	28	2.80	\$530.00	\$1,484.00
8/10/06	AP	Reviewed EBITDA trend analysis to analyze current quarterly results.	28	0.40	\$360.00	\$144.00
8/10/06	AP	Reviewed the audited financial statements in the 10Q to analyze the year-over-year comparison of performance.	28	1.70	\$360.00	\$612.00
8/10/06	AP	Reviewed the 10Q for detail regarding the charges taken by the company for additional environmental liabilities.	28	0.80	\$360.00	\$288.00
8/10/06	AP	Reviewed websites for information regarding the environmental liability for Montana for the company.	28	0.90	\$360.00	\$324.00
8/10/06	AP	Reviewed liabilities schedule provided by the company to analyze the environmental estimate on the schedule.	28	0.50	\$360.00	\$180.00
8/11/06	AP	Reviewed the Grace financial briefing schedule from the company to analyze the second quarter operating results.	28	1.30	\$360.00	\$468.00
8/11/06	AP	Reviewed the Grace financial briefing schedule from the company to analyze the YTD results.	28	1.20	\$360.00	\$432.00
8/11/06	AP	Reviewed the detailed sections of the financial briefing to prepare questions for the conference call with management.	28	1.10	\$360.00	\$396.00
8/11/06	AP	Reviewed Grace 10Q for additional detail regarding the insurance settlements that occurred during the second quarter.	28	0.80	\$360.00	\$288.00
8/11/06	AP	Reviewed the peer comparison detail provided by the company to analyze how Grace performed relative to its peers.	28	0.70	\$360.00	\$252.00
8/11/06	AP	Reviewed prior Grace executive summary books to analyze the changes in the reporting segment financial bridge.	28	0.80	\$360.00	\$288.00
8/16/06	AP	Reviewed the prior warrants analysis to analyze the assumptions in the model.	28	1.30	\$360.00	\$468.00
8/16/06	AP	Reviewed article from industry publication regarding projected demand for catalysts.	28	1.00	\$360.00	\$360.00
8/16/06	AP	Reviewed the latest data regarding the bankholders for Grace to analyze any changes during the quarter.	28	0.50	\$360.00	\$180.00
8/16/06	AP	Reviewed the updates free cash flow analysis to analyze the YTD summary for the company.	28	0.50	\$360.00	\$180.00
8/16/06	AP	Reviewed additional industry articles relating to the chemical industry.	28	0.70	\$360.00	\$252.00
8/16/06	AP	Reviewed the Grace debtor financials to analyze the performance of the debtor entities and the cash balances associated with the entities.	28	1.20	\$360.00	\$432.00
8/17/06	AP	Reviewed the Grace weekly status update schedule to analyze the items on the schedule.	28	0.80	\$360.00	\$288.00
8/17/06	AP	Reviewed claims recovery model to analyze sensitivity of claim recoveries.	28	1.50	\$360.00	\$540.00
8/17/06	AP	Reviewed additional warrants schedules prepared to analyze the variables used and the impact on the value of the warrants.	28	1.10	\$360.00	\$396.00
8/17/06	AP	Reviewed press releases regarding Grace expansions of business lines.	28	0.80	\$360.00	\$288.00
8/18/06	AP	Reviewed the latest Grace distributable value analysis to analyze the components of value.	28	1.00	\$360.00	\$360.00

# W.R. Grace

## Schedule B

Services Rendered during the Period: August 1, 2006 through August31, 2006

Date		Comments	Task Code	Hours	Rate	Total
8/18/06	AP	Reviewed the liabilities subject to compromise and any changes in these liabilities YTD.	28	0.60	\$360.00	\$216.00
8/24/06	AP	Reviewed the consolidated results in the Grace June 30, 2006 10Q filing.	28	1.30	\$360.00	\$468.00
8/24/06	AP	Reviewed the segment sections of the Grace 10Q filing.	28	1.10	\$360.00	\$396.00
8/24/06	AP	Reviewed management's commentary regarding the second quarter and YTD results as part of the second quarter analysis.	28	2.20	\$360.00	\$792.00
8/24/06	AP	Reviewed the pro-forma plan sections of the 10Q to analyze the sources of value.	28	0.50	\$360.00	\$180.00
8/25/06	AP	Reviewed the latest Grace monthly operating report cash section to analyze the legal expense relating to Libby for the month.	28	0.50	\$360.00	\$180.00
8/25/06	AP	Reviewed articles relating to the pension reform bill to analyze the potential impact on the company.	28	1.10	\$360.00	\$396.00
8/28/06	JS	Review ACC counsel's memorandum re Hearing of 8/21/06 in preparation for Hearing of 9/11/06.	28	1.70	\$530.00	\$901.00
8/28/06	JS	Review counsel's Recommendations and Calendar memoranda for planning of work and assignments.	28	2.00	\$530.00	\$1,060.00
8/28/06	JS	Commence review and analysis of June 2006 MOR for due diligence.	28	1.50	\$530.00	\$795.00
8/28/06	AP	Reviewed the notes to the financial briefing summary to analyze the performance of the operating segments.	28	0.80	\$360.00	\$288.00
8/29/06	JS	Continue review and analysis of June 2006 MOR for due diligence.	28	1.80	\$530.00	\$954.00
8/29/06	AP	Reviewed the Grace status update memorandum from counsel.	28	1.00	\$360.00	\$360.00
<b>TOTAL Category 28: Data Analysis</b>				<b>62.50</b>		<b>\$26,580.00</b>
<b>TOTAL Schedule B:</b>				<b>174.60</b>		<b>\$80,346.00</b>

# W.R. Grace

## Schedule C

### Summary of Expenses Incurred by L Tersigni Consulting P.C. Accountant and Financial Advisor

<b>Descriptions</b>	<b>Amount</b>
Telephone	\$44.43
Xerox (811 @ \$.10 per page)	\$81.10
<b>Total Expenses incurred from August 1-31, 2006</b>	<b>\$125.53</b>